

3 JUL 1956

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NIE 36.5-56

19 June 1956

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 36.5-56

(Supersedes the Libyan section of NIE 71-54)

THE OUTLOOK FOR US INTERESTS IN LIBYA

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 19 June 1956. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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DOCUMENT NO. 1

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CLASS. CHANGED TO: TS S ©

NEXT REVIEW DATE: 1991

AUTH: HR 70-2

DATE: 7-6-81 REVIEWER: 009256

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THE OUTLOOK FOR US INTERESTS IN LIBYA¹

THE PROBLEM

To estimate likely developments in Libya over the next few years and their impact on US interests, particularly base rights.

CONCLUSIONS

1. Provided the ailing 66-year-old King Idriss remains at the head of the government, Libya will probably be able to maintain a precarious political stability over the next few years. However, political immaturity, factionalism, and rivalry between the provinces will be continuing problems for the foreseeable future. The death or incapacitation of the king would remove Libya's principal unifying force and probably precipitate a complex internal struggle for power, with intensified competition for influence between Egypt, the USSR, the UK, and other foreign powers. (*Paras. 12-13, 17, 19-21, 28-29*)
2. Premier Ben Halim is not popular and his tenure remains largely dependent on royal favor and support. However, he will probably succeed in strengthening his political position, and if still in office on the death of the king, will seek to assume full control. (*Paras. 14-15, 18-20*)
3. Unless current and projected oil explorations prove extraordinarily successful, Libya will remain heavily dependent on foreign assistance to pay for essential imports and to meet governmental expenses. (*Para. 16*)
4. Libya's foreign policy is likely to be ambivalent. The king tends to be pro-US, but his principal advisers and possible successors, including Ben Halim, are more opportunistic. Despite Libya's dependence on US and UK financial subsidies, it is sympathetic with the anticolonial and anti-Western feelings of the Arab world, and is subject to extensive Egyptian influence. Libyan leaders fear Egyptian domination and suspect Egyptian intentions, yet they will cooperate with Egypt in various policies, some of which are hostile to Western interests. However, at least as long as Idriss is in control, Libya is unlikely to join the ESS Arab bloc. (*Paras. 12-30*)
5. With respect to Soviet relations, Ben Halim has recently rejected, and has promised to reject in the future, Bloc offers of technical and economic assistance. Nevertheless, he or his successors will almost certainly again use any future Bloc offers as bargaining counters to gain con-

¹Supersedes the Libyan section of NIE 71-54, "Probable Developments in North Africa," 31 August 1954.

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cessions from the US and UK. As time goes on, the Libyan government will probably be increasingly tempted to follow through with some deals with the Bloc, particularly if the principle of dealing with the Bloc becomes generally accepted in the area. Although the Libyans will probably continue to be restrained by fear of alienating the US and UK, and thus prejudicing the continued receipt of substantial Western assistance, they will probably go as far in the direction of deals with the Bloc as they think the traffic will bear. Should future US-UK aid fall substantially short of expectations, or should Idriss depart from the scene, the likelihood of Libyan deals with the Bloc would increase. (Paras. 31-34)

6. There are unlikely to be any serious moves toward the repudiation of US base

rights so long as King Idriss remains in power. However, retention of US base rights in Libya is likely to become increasingly costly and troublesome. There is likely to be increasing nationalist opposition to base concessions, which might lead initially to demands for a reduction in the present degree of US control over these bases. Moreover, in the confused situation which would probably result from the king's death or retirement, while a continuation of US base rights would not be precluded, the difficulties and risks would be increased. (Paras. 38-42)

7. In view of the authoritarian character of the regime and the low level of popular political consciousness, we consider it unlikely that the local security of US bases will be seriously threatened within the next year or two at least. (Para. 40)

DISCUSSION

I. LIBYA'S SIGNIFICANCE TO THE WEST

8. After four years of independence,² Libya remains a weak and essentially artificial political entity heavily dependent upon continuing foreign subsidies, chiefly from the US and UK. It is of strategic value to the West by virtue of its position athwart North African and Mediterranean communications lines, and even more because of the important US and UK military bases and operating rights

² Formerly an Italian colony, Libya was occupied during World War II by British and Free French forces. Thereafter, until 1951, it was divided into separate British and French administrative areas, with the British controlling the provinces of Tripolitania and Cyrenaica and the French ruling in the province of Fezzan. A UN resolution of 1949, calling for an independent and sovereign Libya, was implemented in December 1951, and the three provinces were joined in the United Kingdom of Libya, under King Idriss al-Sanusi, the Amir of Cyrenaica. The kingdom maintains a federal structure, with provincial legislatures and governors and a central parliament and prime minister.

on Libyan territory. Under a 20-year UK-Libyan treaty of friendship and alliance signed in 1953, the UK maintains more than 8,000 troops in Tripolitania and Cyrenaica, and operates certain important air facilities, notably at Idriss Field, near Tripoli, and at El Adem near Tobruk. At present, the principal US military asset in Libya is the large US Air Force installation at Wheelus Air Field—first occupied in World War II—which is an important SAC base. The US Army has also shown interest in acquiring base sites in Libya. While the US has no treaty of alliance with Libya, US interests are covered until 1971 by the Libyan-American Base Agreement of 1954. The small French garrisons in the Fezzan are currently being withdrawn under a 1955 French-Libyan agreement, not yet ratified by the French, calling for complete French evacuation by November 1956.

9. In recent years, the US has increasingly assumed the principal Western power role in

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Libya. Britain's once-paramount political influence in Libya has declined with growing Libyan recognition of the limited ability of the UK to assist Libya financially. Moreover, the UK ambassador, who is apparently given considerable latitude by his government, has taken a relatively passive attitude toward Libyan internal affairs despite the fact that the British withdrawal from Suez and emerging challenges to the British position elsewhere in the Middle East have tended to enhance the military importance to the UK of its Libyan facilities. As a result, the Libyan government now looks primarily to the US as a source of economic aid and support even though the British subsidy continues to be large.³

10. Libya is an extremely poor country. With the possible exception of petroleum, exploration for which is now going forward, Libya is believed to be devoid of mineral and fuel resources. By far the greater part of its territory is desert, and its predominantly agricultural-pastoral economy yields a per capita income of less than \$50 per year. Even in good crop years, Libya's exports pay for less than one-third of its imports; recurrent droughts have recently necessitated sizable grain imports, including US relief wheat grants, to avert starvation. Libya is depend-

ent on foreign grants and local foreign military expenditures, which together totalled approximately \$40 million in 1955, to meet its recurrent foreign trade deficit. Moreover, the operations of the government itself would be virtually paralyzed without external financial assistance, since it depends on foreign grants for 50 percent of its ordinary government expenditures and for all of its recently-initiated and somewhat visionary development program.

II. THE PRESENT INTERNAL SITUATION

11. Libya's enormous area—90 percent of which is desert—is divided into three provinces, among which strong jealousies persist. Tripolitania, the wealthiest, most sophisticated, and most populous (750,000) of the three provinces, is resentful that its influence is not commensurate with its size. Cyrenaica (290,000) has a disproportionate influence in the government as a result of the king's preference for his own area, and it fears Tripolitania's superior political and economic potential. Leaders in the remote Fezzan (50,000) dislike their exclusion from the mainstream of Libyan affairs.

12. *Position of the King.* Libya maintains its unity and a precarious political stability primarily through the personal unifying force of the ailing 66-year-old King Idriss, head of the Sanusi family.⁴ A governmental framework exists, but it is still largely a facade, and there is no political party organization in the Western sense. Loyalty to the nation is secondary to the common Arab family and tribal allegiances, and there is little real public opinion. There is a general lack of responsible, trained political leaders and administrative officials, and the government is weakened by widespread nepotism and graft.

13. In the unstable and shifting pattern of personal and family alliances which characterize Libyan politics, the king has emerged as the strongest political force, not only

³ Under the terms of the UK-Libyan treaty of 1953, the UK is to contribute a total of \$55 million to Libya over a five-year period ending in 1958 (the subsequent British contribution is then to be reviewed). Approximately 75 percent of the UK contribution is intended to meet yearly deficits in Libya's ordinary budgetary expenditures. Through 1954, the UK was the largest contributor to Libya, but in 1955 US assistance, totalling \$12.3 million, exceeded the UK contribution of \$10.5 million. In an exchange of notes accompanying the 1954 US-Libyan Base Agreement, the US promised Libya \$40 million for economic development through 1971. In addition, the US grants Libya funds separately under the Foreign Aid program, and recently decided to increase these from \$3 million in fiscal 1955 to \$5 million in 1956 and \$7 million in 1957, to provide \$6 million in training and equipment for the Libyan army, and to continue gifts of relief wheat. Moreover, the US has operated a technical assistance program in Libya since 1951. See appendix for data on sources, types, and amounts of external assistance to Libya, 1952-1955.

⁴ The Sanusi family has provided religious and political leadership in the Libyan area for more than 100 years. It led the sporadic tribal struggle against the Italians after their occupation of the area in 1911, and aided the Allies in occupying Libya in World War II.

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through the use of his far-reaching constitutional powers, but also through his willingness to employ extra-legal devices to consolidate his authority.⁵ Yet Idriss has not always ruled firmly or judiciously. Particularly in the past year and a half — since the assassination of his closest friend and adviser, Ibrahim al-Shalhi — the king has tended to delegate increasing responsibility to the prime minister, and has isolated himself in Cyrenaica, occupying his attention largely with local and family matters. The king's health is clearly not of the best, and there have been some indications of decreasing mental vigor.

14. *The Prime Minister's Position.* In these circumstances, Ben Halim, the 35-year-old Egyptian-educated prime minister (who is of Cyrenaican origin) has been able to strengthen his position. By catering assiduously to the king's wishes in most respects, Ben Halim has successfully out-manuevered his opposition, forced key opponents out of official positions or out of the country, and rigged recent parliamentary elections to assure a pro-administration majority. Ben Halim's power continues to depend on the king's blessing, however, since Ben Halim himself lacks the strong family and tribal connections so important in Libyan politics. He is confronted with opposition from urban nationalist elements who consider him too closely aligned with Egypt, from a powerful array of Cyrenaicans close to the king, from certain influential tribes, from the Ahmed Sharif branch of the king's family, and from the elder of King Idriss's two wives.⁶

15. One of Ben Halim's primary objectives is to consolidate the authority of the central government under his own control. To this end he has also sought to strengthen the na-

tional army and police in relation to the Tripolitanian and Cyrenaican provincial defense and police forces. His efforts to increase the power of the central government have been largely thwarted by the king, who withdrew his initial support of centralization in response to Cyrenaican pressure. Since the king's strength derives primarily from Cyrenaican tribal support, he has been unwilling to sacrifice this allegiance for a unitary government championed largely by the prime minister. Thus Ben Halim was unsuccessful, in the face of Cyrenaican opposition, in his efforts early this year to increase central control over certain budgetary and administrative matters and the security forces. In the case of the army, his supporters have been working to insure its loyalty to the prime minister by staffing it with selected young Tripolitanian rather than Cyrenaican officers. However, it now numbers only about 1,300 (in contrast to a planned mobile force of 5,000), and despite continuing improvement under a British training mission, is still inferior in training, efficiency, and strength to the provincial forces of Tripolitania, Cyrenaica, and Fezzan, which have a combined strength of 5,700.

III. THE INTERNAL OUTLOOK

16. Unless current and projected oil explorations prove extraordinarily successful, Libya will remain heavily dependent on foreign assistance to pay for essential imports and to meet governmental expenses. Even if the government's development program achieves maximum results in terms of increased agricultural production, it is unlikely to do much more than keep pace with the requirements of a population increasing at an annual rate of at least 1.2 percent. Moreover, it is likely that recurrent droughts will continue to ne-

⁵The constitution gives the king the power to dissolve the House of Representatives, issue special decrees, appoint one-half of the Senate, and appoint and remove the prime minister at his discretion. He has used these powers on occasion during the past four years, and has also resorted to promulgating, through royal decrees, laws which properly should have been the subject of national legislation.

⁶The Sanusi family is divided into two principal branches, the Mahdi and Ahmed Sharif branches,

descendants of the two sons of the founder of the family. King Idriss is head of the former; his older (and favorite) wife, Queen Fatima, is a member of the latter. Relations between the two branches have long been characterized by jealousy and suspicion, and deteriorated even more when one of the Ahmed Sharif family assassinated Ibrahim al-Shalhi in 1954. This event increased the king's hostility to the Ahmed Sharif branch of the family, and his determination to prevent any member of that branch of the family from succeeding to the throne.

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cessitate grain imports for emergency relief assistance.

17. So long as the aging King Idriss remains active, he and a few close supporters are likely to retain primary power, thus giving Libya a degree of political stability. During this period, the unity of the kingdom and the effectiveness of the central government may be strengthened to a limited extent, particularly if the king should give greater support to Ben Halim's persistent efforts to increase the power of the national government.

18. Meanwhile, the tenure of cabinets, including that of Ben Halim, will remain largely dependent on royal favor and support. Although opposition to Ben Halim will probably grow, his opponents are unlikely to succeed in overthrowing him legally during the next year or so unless some maladroitness on his part arouses the king's displeasure. Indeed, Ben Halim may succeed in neutralizing some of the present Cyrenaican opposition by means of alliances with one or more of the opposition elements in that province and by the use of government patronage or of bribery to woo key tribal leaders. However, the program of strengthening the central government will continue to be confronted with strong resistance, particularly in Cyrenaica. Ben Halim would probably be unable to secure a firm position in the central government, independent of the king, unless he had several years of unchallenged control in which to build up the central army and insure its loyalty to himself.

19. The death of King Idriss would probably lead to a factional struggle for power which might easily threaten such political unity as now exists. The king is childless, and the chances of his having a male heir appear increasingly slight, despite his recent acquisition of a second, younger wife. Even if an heir were born, however, it is uncertain that the force of dynastic loyalty, which is not strong in Libya, could hold the kingdom together until he could assume the throne. Ben Halim has gained the king's approval for the establishment of a throne council to rule in the event the king dies without heir. Under a recently enacted law, the throne council can

rule for three years, pending a referendum to determine the "leadership" of Libya. How the referendum is to be conducted is as yet undefined.

20. Upon the king's death, provincial separatist tendencies, which have increased during the past four years, would almost certainly be intensified, particularly the strains between Tripolitania and Cyrenaica. Complex provincial and factional intrigues would probably ensue. There is evidence that certain Tripolitarians hope to seize power on the king's death, and similar hopes are probably held by certain elements in Cyrenaica. The Ahmed Sharif branch of the family is almost certainly prepared to assert its claims, and Ben Halim may be expected to seek power.

21. The eventual outcome of such a complex struggle for power cannot be foreseen with certainty. Should Ben Halim be in office, he would probably attempt to gain paramount authority, either through interim arrangements with the throne council or by asking parliamentary approval of his assumption of power—possibly as head of a newly-proclaimed Libyan republic. Should the present parliament, or one similarly oriented, be in existence at the time, it might be sympathetic to such a request. However, the shifting and uncertain personal and family alliances which underlie Libyan politics make this uncertain. Much might depend on Ben Halim's success from now on in strengthening and gaining the personal loyalty of the federal army. Finally, the eventual outcome would probably not only depend on internal factors but also on the efforts of interested foreign powers—including Egypt, the USSR, and the Western nations—to influence the situation.

IV. LIBYA'S FOREIGN RELATIONS

22. In general, Libya's foreign policy is an ambivalent and opportunistic one, reflecting its extensive reliance on the West for material and diplomatic support and its political and cultural orientation toward the Arab world. At present, Libyan foreign policy is largely conducted by Ben Halim, who has shown considerable shrewdness in exploiting great-power interest in Libya. His freedom of action, how-

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ever, remains subject to one crucial limitation—the basically pro-US orientation of King Idriss, who shares with many Libyans strong suspicions of Egyptian and Soviet intentions toward his country.

23. *With Egypt and Other Middle East States.* Since it became independent, Libya has been the object of Egyptian efforts to develop strong political and cultural influence, if not actual hegemony, in the young kingdom. These efforts have been facilitated not only by geographical proximity, but also by the common language and religion; Libya's use of the Egyptian legal code; the presence in Libya of numerous Egyptians as jurists, government advisers, and teachers—part of whose salaries are paid by Egypt; the Libyan tradition of sending young men to Cairo for education; and past Egyptian aid to Libyan leaders in the struggle for independence against Italy. The Egyptians have also had some success in developing influence in Libyan labor organizations, which are not large but which constitute almost the only organized mass groups in the kingdom.

24. Under Nasser's regime, the Egyptian campaign has been intensified as part of broader Egyptian ambitions to acquire leadership in the Arab-African world and to eliminate Western (particularly UK) influence in the Middle East and Africa. In Libya, Egyptian propaganda and political efforts have been directed against British (and by association, American) military bases, and against the influence of Turkey and Iraq. Egypt's propaganda exploitation of such themes as Arab solidarity, anticolonialism, neutralism, and attacks on Israel, finds a response among some of the limited number of politically conscious Libyans.

25. Egyptian efforts have been particularly directed toward the king, the prime minister, certain prominent Libyan families and factions, and public opinion in general. In the case of the prime minister, various Egyptian pressures and inducements—probably including outright bribery—have been instrumental in causing him to bring Libya into closer relations with Egypt and the Arab League (though Libya has never joined the

Arab League Collective Security Pact). Egyptian influence on Ben Halim has not, however, altered his adherence to the king's policy of alignment with the US. As for King Idriss himself, he has become more suspicious of Egypt and hostile toward the extension of Egyptian and other Arab influence in Libya—particularly because of his suspicions that the Egyptians connived in the assassination of Shalhi in 1954. These suspicions have tended to bolster the king's pro-US sentiments.

26. The Egyptian government will continue its efforts to influence Libyan affairs, to use Libya as a base for advancing Egyptian policies elsewhere in North Africa, and to induce Libya to adopt a neutralist policy. Egyptian opposition to French control of French North Africa, to Israel, and to the vestiges of "imperialism" will continue to find a favorable response among many Libyans. The Libyan government, at least under Ben Halim, will almost certainly remain desirous of preserving reasonably good relations with Egypt, and to this end will probably give at least lip service to the Arab policies advanced by Cairo. It will also continue to cooperate with Egypt and the North African nationalists by permitting shipments of military supplies to be sent from Egypt across Libya to the rebel forces, and by allowing nationalist leaders from the French territories to enter and use Libya as a meeting place.

27. Libya's cooperation with Egyptian policy is unlikely to go beyond this point, at least as long as King Idriss remains in control. Specifically Libya is unlikely to join the ESS Arab bloc. The king's sensitivity about foreign domination, by Egypt as well as the West, will have the support of a small but growing body of nationalist opinion in both Tripolitania and Cyrenaica. Indeed, increasing friction between Libyan officials and the often inept and domineering Egyptian advisers may result in a Libyan move to cut down the number of Egyptian personnel in the country.

28. The death or overthrow of the king would remove the chief defender of a pro-US policy, and the influence of Egypt would probably grow. However, we believe that Ben Halim,

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or any other likely successor to actual power in Libya, would prefer to play foreign powers against each other rather than to become irrevocably committed to any one of them.

29. There is a possibility that the Egyptian RCC regime may seek to overthrow Idriss, for example by instigating an attempt to seize power by a dissident branch of the royal family or even by Ben Halim. We believe this possibility to be slight because, in addition to the international complications likely to result, it would be difficult for the Egyptians to find a successor acceptable both to them and to the Libyans. The risk of Egyptian intervention in Libya would become substantial during the critical period which is likely to follow the king's death or incapacitation.

30. Other Middle East states particularly interested in Libya are Iraq and Turkey, the former of which contributes some military training assistance to Libya. The Libyan army continues to be commanded by an Iraqi officer. Turkish influence, however, has declined in the last year or two, largely because of Ben Halim's coolness toward Turkish attempts to cultivate closer relations between the two countries.

31. *With the Soviet Bloc.* In September 1955, Libya agreed to establish diplomatic relations with the USSR, a move which Ben Halim undertook by way of manifesting Libyan independence from Western tutelage, and probably in exchange for Soviet support of Libyan membership in the UN. Early in 1956 the USSR established a relatively large diplomatic mission in Libya. In addition, the Soviets offered Libya various kinds of aid, including gifts of about 40,000 tons of wheat and unspecified materials for development projects, a 20-year loan at two percent interest repayable in raw materials, and doctors to staff rural dispensaries. The USSR also expressed interest in establishing an information center, and informally requested petroleum concessions which, under Libyan law, could involve the establishment of certain radio communications, air transit, and airfield rights in the kingdom.

32. In April 1956, Prime Minister Ben Halim rejected these Soviet offers and requests after

securing assurances that the US would increase its presently planned aid program and would give sympathetic consideration to Libya's development needs in the future. In turn, Ben Halim gave the US secret written assurance that Libya would turn down similar overtures from the Satellites, and would accept only those foreign assistance offers "which do not endanger Libyan-American relations."

33. While the USSR has thus far made only limited headway, its efforts to cultivate influence in Libya and to undermine the Western position there are likely to increase. For some time to come, the Bloc will probably continue to concentrate on attempts to lure Libya away from the West by means of attractive political and economic offers rather than on efforts to create an indigenous Communist party or other instruments of subversion. At present, Communists in Libya are believed to number no more than a hundred, almost entirely composed of Italians in Tripolitania. Taking advantage of the fact that the expulsion of Western influence in Libya is a common aim of Egyptian and Soviet policies, the USSR will probably continue to cooperate closely with Egypt, allowing the Egyptians to assume a considerable degree of leadership in joint diplomatic and propaganda efforts. While Egyptian predominance in Libya would presumably be incompatible with ultimate Soviet designs in the area, the USSR might be willing to acquiesce in the achievement of such predominance by Egypt for a period, for the sake of preserving Egyptian-Soviet cooperation in the larger purpose of eliminating the special position held by the West in other parts of the Arab-African world.

34. For the immediate future, Ben Halim will probably adhere to his recent promise to reject Bloc offers of assistance. However, he or his successors will almost certainly again use any Soviet aid offers as bargaining counters to gain concessions from the US and UK, and, as time goes on, the Libyan government will probably be increasingly tempted actually to follow through with some deals with the Bloc, particularly if the principle of dealing with the Bloc becomes generally accepted in the area. Although the Libyans will probably

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continue to be restrained by fear of alienating the US and UK, and thus prejudicing the continued receipt of substantial Western assistance, they will probably go as far in the direction of deals with the Bloc as they think the traffic will bear. Should future US-UK aid fall substantially short of expectations, or should Idriss depart from the scene, the likelihood of Libyan deals with the Bloc would increase.

35. *With the UK, France, and Italy.* The UK's position in Libya is unlikely to undergo either radical improvement or critical deterioration in the next year or so. Libyans remain sufficiently removed from the controversies which have led to a weakening of the British position elsewhere in the Middle East, so that abrupt or violent challenges to the British position, such as occurred in Cyprus or Jordan, are unlikely in the short run at least. At the same time, Libyan resentment of British "imperialism," and the UK's limited ability to assist Libya financially make it unlikely that the British will regain their once dominant position in Libya. The UK is likely to be confronted during the next few years with Libyan pressures for increased financial contributions, particularly in view of anticipated British requests to base increased numbers of troops in Libya.⁷

36. Libyan-French relations are likely to worsen during the next few years as a result of Libyan support for North African nationalists — particularly the transit of Egyptian arms for Algeria through Libya. To some extent Libyan resentment of French North African policies may adversely affect US and UK interests, since Libyans believe that France's allies are capable of influencing French policy. French-Libyan relations will also be subject to tensions over: (a) possible French continued failure to ratify the 1955 agreement on Fezzan; (b) demarcation of the Libyan-Algerian border; (c) oil exploration rights near this border; and (d) problems

⁷ The outlook for the British position in Libya, as well as elsewhere in the area, will be considered in NIE 30-2-56, "The British Position in the Middle East," scheduled for completion in the third quarter of 1956.

arising from the use of the Fezzan as a transit area for French vehicles, which is permitted under the 1955 French-Libyan agreement.

37. Italy's relations with its former colony have been marked by disputes over private Italian property claims arising out of Italy's loss of Libya in World War II. An agreement on these matters has been signed but has not yet been ratified by either party. Italian-Libyan relations promise gradually to improve. Italy will continue to enjoy some cultural and commercial, though little political, influence in Libya.

V. THE OUTLOOK FOR US INTERESTS

38. The retention of US base and operating rights in Libya is largely dependent in the short run upon the continued good will of the king. At present, he is not only strongly in favor of the US retaining its present assets, but is also sympathetic to an expansion of US facilities. While his attitude may change — he has changed his mind on important questions before — we do not consider this probable, at least during the next year or two. The attitude of the opportunistic Ben Halim is less certain, but so long as the king retains paramount influence, Ben Halim is unlikely to challenge him on the issue of US facilities. Moreover, the prime minister himself remains keenly aware of Libya's dependence on US assistance and values US political support as a counterweight to Egypt.

39. Even under Idriss and Ben Halim, however, retention of US base rights in Libya is likely to become increasingly costly and troublesome during the next few years, particularly if American military facilities are to be expanded. In future negotiations over US facilities, Libya will probably press for substantial increases in US economic assistance. At a minimum, Libya will probably demand that the US underwrite the present \$68 million shortfall in Libya's planned six-year development program. While the Libyans would probably lower this price in the course of negotiations, the demand would almost certainly be renewed at a later date. In addition, the Libyans are already seeking greater Libyan control over the expenditure of development funds.

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40. Internal opposition to US bases is not now a serious threat and will probably not become one while the king holds power. Political consciousness is still too limited to make it likely that strong popular pressures for elimination of foreign bases will develop at an early date. Among Libya's few politically active elements, some opposition to the Libyan-US Base Agreement will probably continue, but the king and Ben Halim will probably remain able, in the short run at least, to block any pressure which might arise for repudiation or reduction of US base and operating rights. Libya's extreme need for US assistance will continue for the foreseeable future to serve as a brake on serious moves against US interests. The low level of political consciousness in Libya, together with the authoritarian character of the regime, will probably prevent serious threats to the local security of US bases during the next year or two at least.

41. In the longer run, however, US interests in Libya will face increasing challenges. Developing bonds with the Arab world, and the growth of nationalist sentiments among

younger Libyans will probably produce increasing opposition to US and UK base concessions. Initially, such opposition might lead to demands for a reduction in the present degree of US and UK control over these bases. If Egypt and the Soviet Bloc succeed in exploiting these trends, and offer to replace Western support, there will be increasing pressures on the Libyan government to go even farther in restricting or terminating US rights.

42. In the meantime, the clearest foreseeable danger to the US position in Libya is that likely to arise upon the death of King Idriss, when rival groups will be competing for advantage, and ties between the provinces are likely to be more strained than at present. Such instability would not preclude a continuation of present US rights, but it would add to the difficulties and risks involved. Moreover, should competing Libyan factions look abroad for assistance in the unstable situation, as is likely, Egypt and the USSR would be presented with increased opportunities for direct interference against Western interests.

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Appendix

EXTERNAL ASSISTANCE TO LIBYA, 1952-1955

(Thousands of US Dollars)								
Types of Assistance	US ^(a)	UK	France	Italy	Turkey	Egypt	UN	Total
<u>1952</u>								
Budgetary support	—	6,608.0	330.4	—	—	—	—	6,938.4
Grants for economic development	—	1,092.0	280.0	28.0	—	—	—	1,400.0
Technical assistance	1,537.0	—	—	—	—	na	654.4	2,191.4
Relief wheat	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	58.2 ^(b)	58.2
Total 1952	1,537.0	7,700.0	610.4	28.0	—	na	712.6	10,588.0
<u>1953</u>								
Budgetary support	—	4,947.6	431.2	—	—	—	—	5,378.8
Grants for economic development	98.0	1,621.2	364.0	196.0	—	—	—	2,279.2
Technical assistance	1,343.0	—	—	—	—	na	772.0	2,115.0
Relief wheat	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	79.9 ^(b)	79.9
Total 1953	1,441.0	6,568.8	795.2	196.0	—	na	851.9	9,852.9
<u>1954</u>								
Budgetary support	—	7,700.0	459.2	—	—	—	—	8,159.2
Grants for economic development	5,000.0	2,800.0	280.0	28.0	28.0	28.0 ^(c)	—	8,164.0
Technical assistance	1,493.0	—	—	—	—	na	584.2	2,077.2
Relief wheat	606.2	—	—	—	135.0 ^(d)	—	—	741.2
Other	—	—	—	—	—	480.0+ ^(e)	178.6 ^(b)	658.6
Total 1954	7,099.2	10,500.0	739.2	28.0	163.0	508.0+	762.8	19,800.2
<u>1955</u>								
Budgetary support	—	7,700.0	—	—	—	—	—	7,700.0
Grants for economic development	7,000.0	2,800.0	371.0	28.0 ^(f)	28.0 ^(f)	na	—	10,227.0
Technical assistance	1,654.0	—	—	—	—	na	591.5	2,245.5
Relief wheat	3,689.0	—	—	—	—	—	—	3,689.0
Other	—	—	—	—	—	840.0+ ^(e)	47.4 ^(b)	887.4
Total 1955	12,343.0	10,500.0	371.0	28.0	28.0	840.0+	638.9	24,748.9
Grand Total 1952-1955	22,420.2	35,268.8	2,515.8	280.0	191.0	1,348.0+	2,966.2	64,990.0

NOTE: na Not available

(a) Based on US fiscal year; grants for economic development include annual payments for military base rights and grants from US foreign aid funds.

(b) Includes aid from the WHO and UNICEF.

(c) Committed in 1954 but no evidence of actual receipt of funds by Libya.

(d) Estimated value of 2,000 tons of wheat at world market prices.

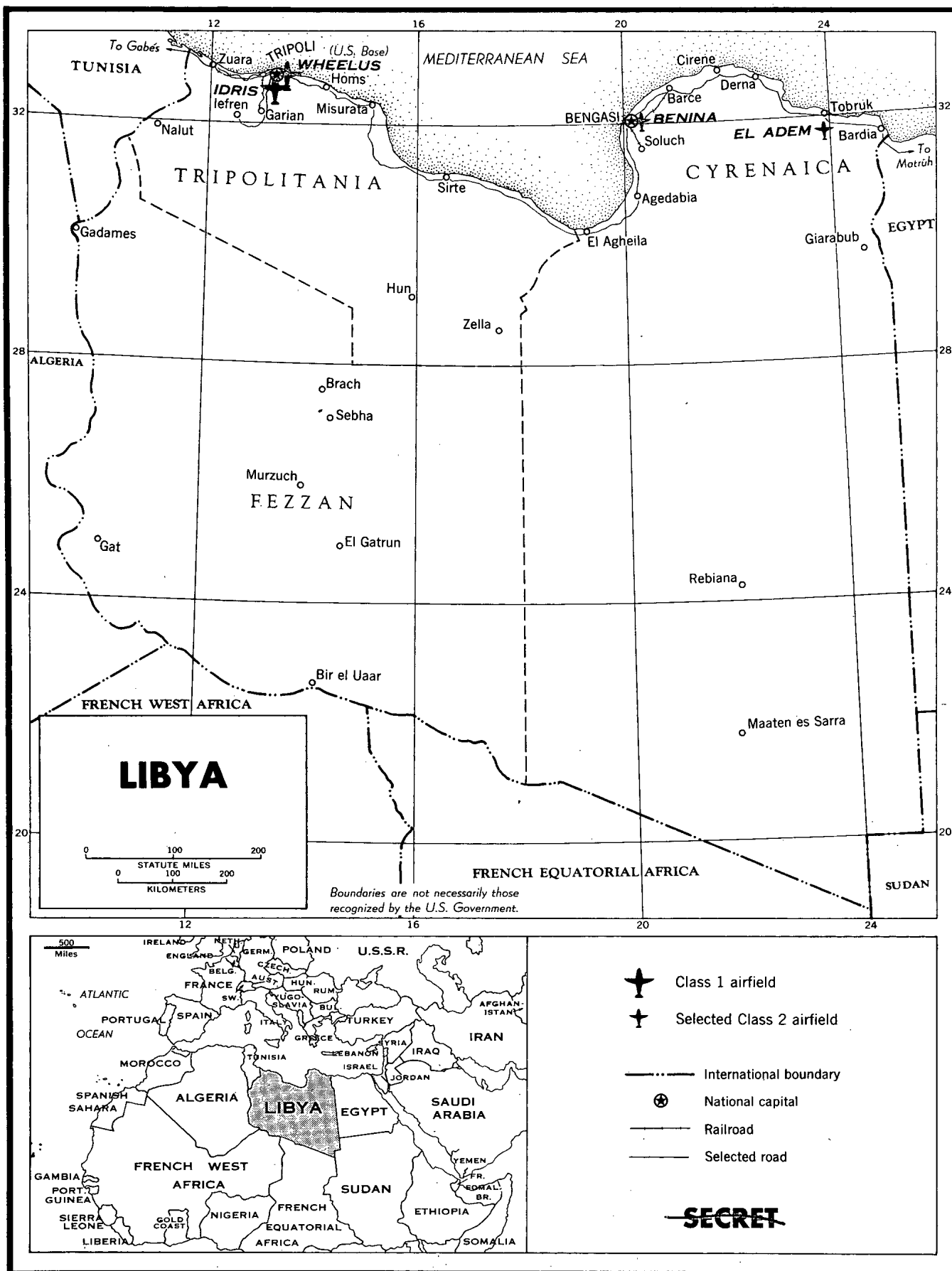
(e) Egyptian subsidy to Egyptian teachers, technicians, and other personnel employed by Libyan government, estimated at \$1,200 per annum per person.

(f) Estimated.

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